

## **SURCHARGES**

### **UNIVERSITY OF IOWA NONRESIDENT TUITION INCREASE**

The University of Iowa proposed an additional 1% increase in undergraduate nonresident tuition for the 2001-02 academic year, above the rate of what is approved by the Board for resident students. SUI would apply the additional revenues to scholarships for recruiting high quality nonresident students to the University. This will generate approximately \$530,000.

The University of Iowa's strategic plan calls for increased efforts to improve the quality of admitted undergraduate students. The University indicated it had initiated or expanded merit aid programs. These programs have been successful in attracting top students, both Iowans and students from other states to the University. The University plans to undertake further expansion of these programs to attract a greater number of highly qualified students. However, the current student financial aid budget cannot afford reallocation from need based programs to pay for expanded merit programs.

To address the added costs of these efforts, proceeds from the 1% surcharge for nonresident undergraduates will be applied to merit based student financial aid programs applicable to nonresident students. The University believes that a 1% tuition surcharge will not seriously impair the University's competitive position in the out-of-state student recruiting markets. The University's current nonresident tuition and fees rank third from the bottom of its peer group and is at 82.1% of the average tuition and fees of its peer group for the 2000-01 academic year.

For the 1996-97 academic year, the Board approved a differential tuition increase of 5.0% for nonresident undergraduates at the University of Iowa with a 3.5% increase for resident undergraduates. The resident and nonresident tuition increases were the same at Iowa State University and the University of Northern Iowa (3.5%).

For the 1995-96 academic year, the Board approved resident tuition increases of 4.2% and nonresident tuition increases of 6.0% at all three universities. The 6% increases in nonresident categories were to cover increased costs due to inflation and general funds and to develop, upgrade, and modernize instructional resources and technology to bring student instruction to the level of quality envisioned in the Regents' strategic plan.

### SPECIFIC PERMANENT TUITION SURCHARGES

Base tuition is not earmarked for special academic units, but is part of the overall general university fund budgeting process. Tuition surcharges represent earmarked amounts for specific colleges and purposes. Students enrolled in these colleges pay the surcharge as part of the university's base tuition and receive the benefits of additional resources.

		2000-2001 Base Tuition*	Proposed Surcharge	Percent Increase
MBA				
	Resident	\$5,568	\$1,065	19.1%
	Nonresident	\$13,322	\$1,065	8.0%
Masters of Information Systems & Accountancy				
	Resident	\$3,452	\$1,065	30.9%
	Nonresident	\$11,122	\$1,065	9.6%
Dentistry (First/Second Yr. Students)				
	Resident	\$9,670	\$2,000	20.7%
	Nonresident	\$26,630	\$2,000	7.5%
Law				
	Resident	\$7,416	\$200	2.7%
	Nonresident	\$18,632	\$300	1.6%
Medicine (First Yr. Students)				
	Resident	\$10,264	\$3,500	34.1%
	Nonresident	\$27,490	\$3,500	12.7%
Pharm. D. (First Yr. Students)				
	Resident	\$5,566	\$3,000	53.9%
	Nonresident	\$17,215	\$3,000	17.4%
Physical Therapy (First Yr. Students)				
	Resident	\$3,452	\$1,350	39.1%
	Nonresident	\$11,122	\$1,350	12.1%

\* Does not include mandatory fees.

### College of Business: Masters of Business Administration Program

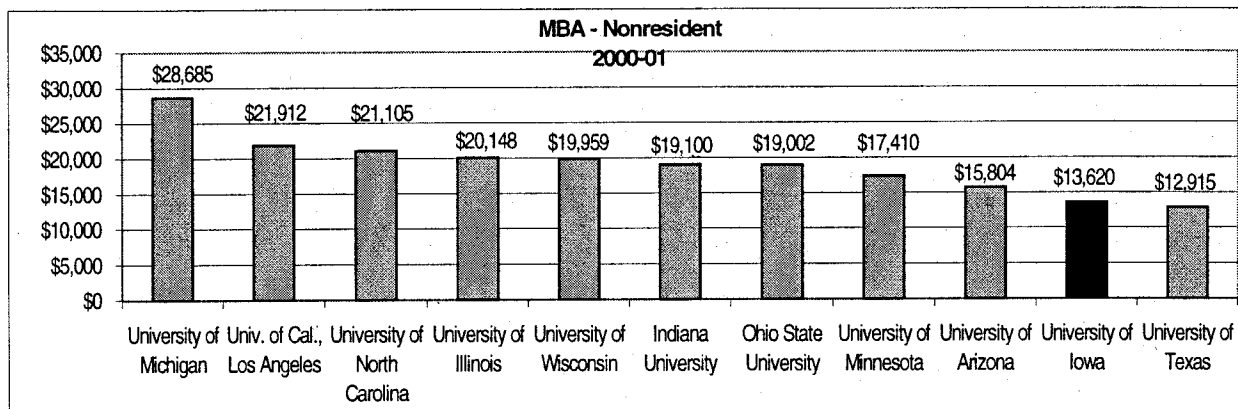
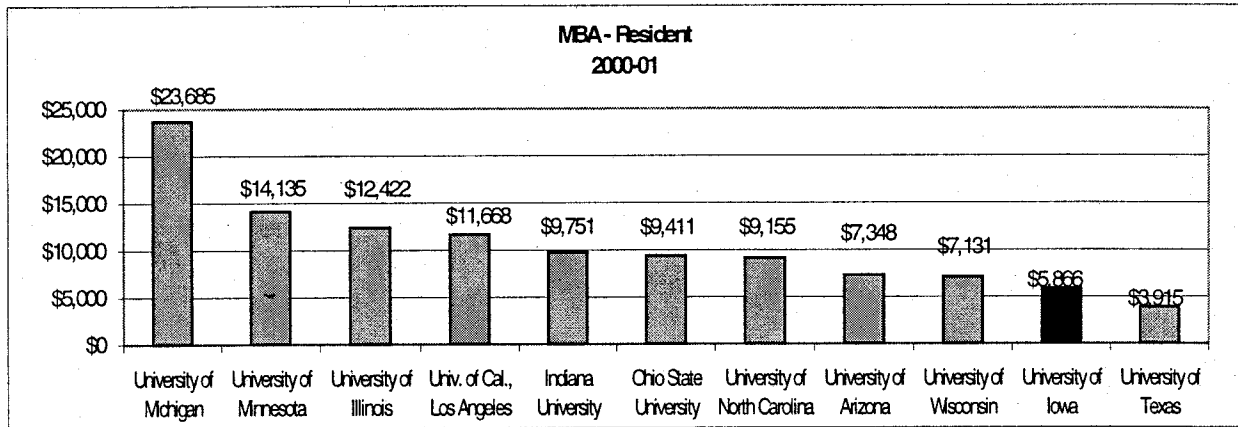
The University's Henry B. Tippie College of Business proposed the second of three annual tuition surcharges of \$1,065 per resident and nonresident student entering the University of Iowa's Masters of Business Administration program in fall of 2001. This surcharge will not apply to students entering the program prior to fall of 2001. Base resident tuition for MBA for the 2000-2001 academic year is \$5,568 and with mandatory fees totals \$5,866.

At its October 1999 meeting, the Board approved the establishment of a new permanent tuition surcharge of \$1,065 per academic year for resident and nonresident students for the University of Iowa Masters of Business Administration program for those students entering the full-time MBA program in fall of 2000. Implementation is expected to take three years. Each subsequent year's surcharge increase is to be brought to the Board for approval.

The proposed tuition surcharge will generate approximately \$90,525 and fund key improvements in the full-time MBA program including:

Amount	Expenditure Category	Descriptions
\$28,900	Technology Enhancement	Represents per student expenditure equal to technology fee paid by undergraduates in business. Projects include expansion of wireless LAN and purchase of loaner notebook for the library and addition of on-line financial information systems that allow hands-on experience for the MBA students.
\$10,000	Faculty Development	Support for e-commerce course development. Faculty supervision for case teams.
\$5,000	Student Development	Travel to visit companies and bring business speakers to campus. Support for Students for Responsible Business Association, particularly in the area of speakers and to attend national conference. Partial support for nonprofit business course.
\$32,141	Improved Student Services	Support for a business writing tutor, a consultant to manage MBA interviewing practice, and partial support for an Alumni Director and related activities.
\$14,484	Student Financial Aid (16%)	Student aid funds are distributed via the Educational Opportunity Program. These funds are used to support under-represented groups.
<b>\$90,525</b>		

The University of Iowa MBA is currently the second lowest in its peer group for resident and nonresident tuition. In addition, resident tuition (\$5,866) is less than half of the average tuition (\$12,890) in its peer group for 2000-2001. According to SUI, students have indicated that the increased cost of the Iowa MBA has not been an obstacle to attending the program.



### College of Business: Masters Programs in Management Information Systems and Accountancy

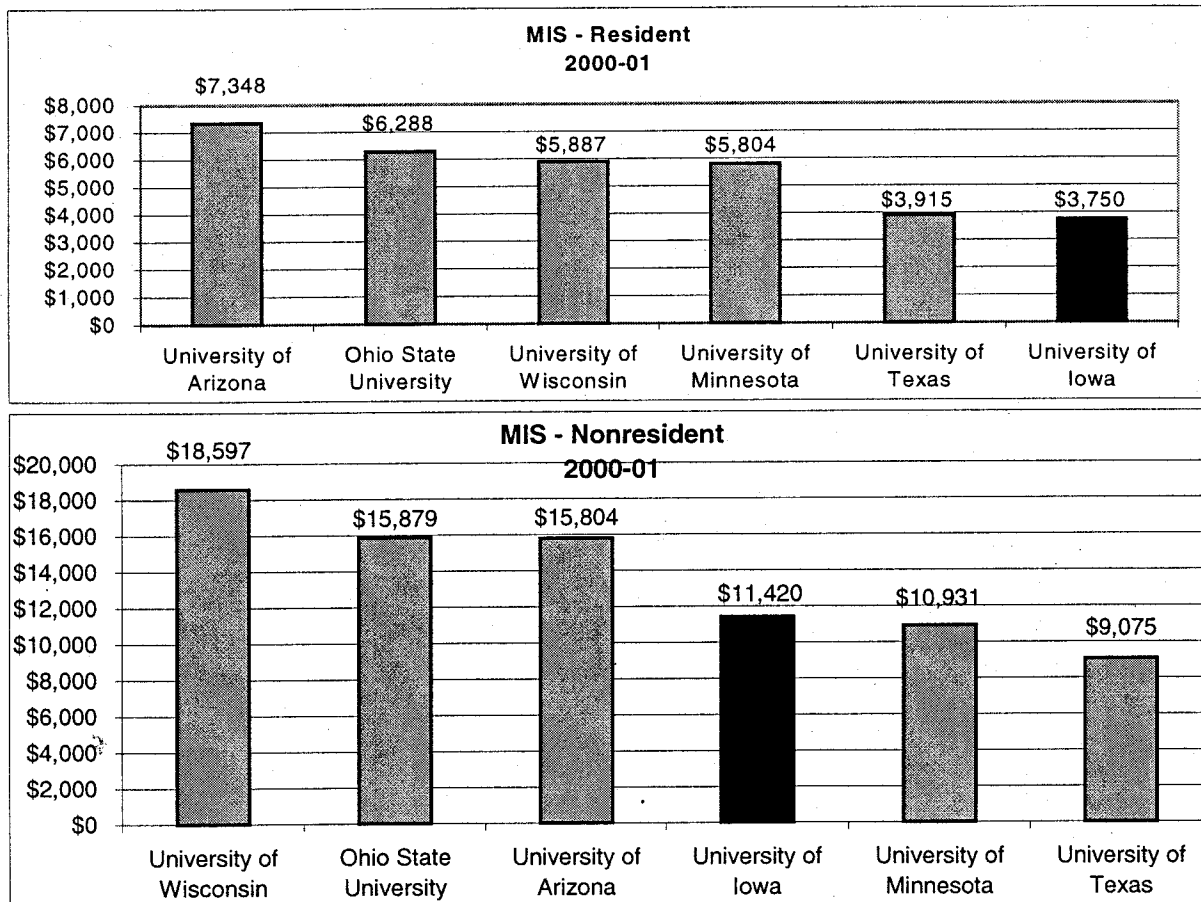
The Henry B. Tippie College of Business is also proposing an annual tuition surcharge of \$1,065 for the Masters of Information Systems and the Masters of Accountancy programs, similar to the MBA. The surcharge would apply to resident and nonresident students entering the programs in the fall of 2001. The tuition surcharge will not be applied to students enrolled in the programs prior to fall 2001.

Implementation is expected to take three years, for a total surcharge of \$3,195 over the three years. Each subsequent year's surcharge is to be brought to the Board for approval. Base resident tuition for these Masters programs for the 2000-2001 academic year is \$3,452 and with mandatory fees totals \$3,750.

The tuition surcharge for the Masters program in Management Information Systems (MIS) will generate approximately \$85,200 and fund key programmatic improvements including:

Amount	Expenditure Category	Descriptions
\$27,200	Technology Enhancement	Expenditure (per student) equal to technology fee paid by business undergraduates, access to computer labs, additional software support, and computer upgrades.
\$35,000	Career Service Support	Support for one half-time career service professional.
\$4,368	Faculty Support	Initial support for the hiring of tenure track faculty.
\$5,000	Program Support	Money for student recruitment, new student orientation, and professional development programs for students.
\$13,632	Student Financial Aid (16%)	Aid will be based on academic merit.
<b>\$85,200</b>		

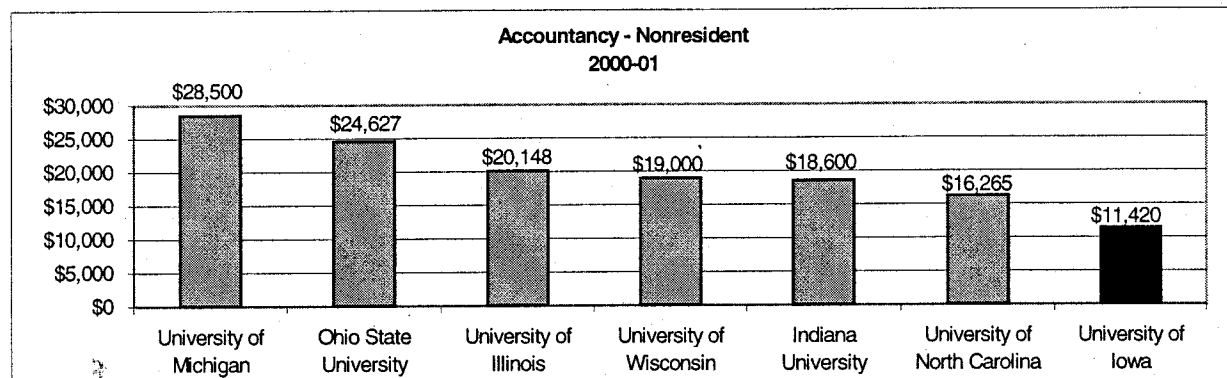
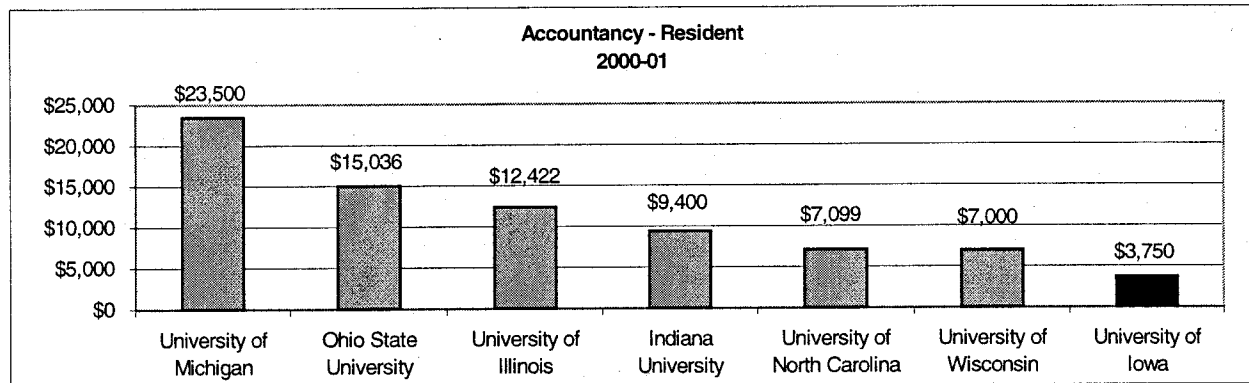
MIS resident tuition and fees at the University of Iowa is the lowest in its peer group. MIS nonresident tuition and fees are fourth in its peer group. The University reports that the program is intended to produce graduates who are professionally prepared to enter the workforce and to provide immediate value and focused competence to employers. The demand for these graduates in business is high, and starting salaries are generous and rising.



The tuition surcharge for the Masters program in Accountancy will generate approximately \$69,225 and will fund:

Amount	Expenditure Category	Descriptions
\$22,100	Technology Enhancement	Represents per student expenditure equal to technology fee paid by undergraduates in business. Access to computer labs, software support, and upgrades for computers.
\$36,049	Faculty Support	Initial support to be directed toward the hiring of full-time faculty.
\$11,076	Student Financial Aid (16%)	Aid will be based on academic merit.
<b>\$69,225</b>		

Resident and nonresident tuition and fees for the Masters in Accountancy at the University of Iowa are the lowest among the colleges in its peer group. The University reports that the program is intended to produce graduates who are professionally prepared to enter the workforce and to provide immediate value and focused competence to employers. The demand for these graduates in business is high, and starting salaries are generous and rising.



## College of Dentistry

At its October 1999 meeting, the Board approved the establishment of a new permanent tuition surcharge of \$2,000 per academic year for resident and nonresident first year students entering the University of Iowa Dentistry program in the fall of 2000. The surcharge would not apply to students entering the programs prior to the fall of 2000. Implementation was expected to take four years, with each subsequent year's surcharge increase to be brought to the Board for approval. Base resident tuition for Dentistry for the 2000-2001 academic year is \$9,670 (after the \$2,000 surcharge) and with mandatory fees totals \$9,968.

The University of Iowa proposed to implement the second through fourth years of the \$2,000 surcharge (for students entering fall 2001, 2002, and 2003) at this time, rather than bringing each subsequent class to the Board. According to the University, costs for providing high quality professional education with state-of-the-art technology and clinical facilities have been increasing rapidly.

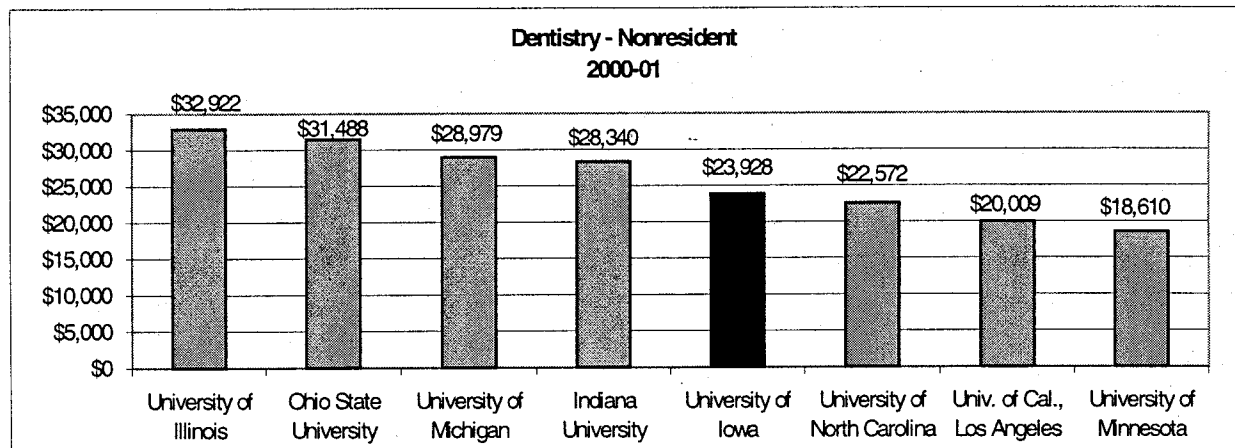
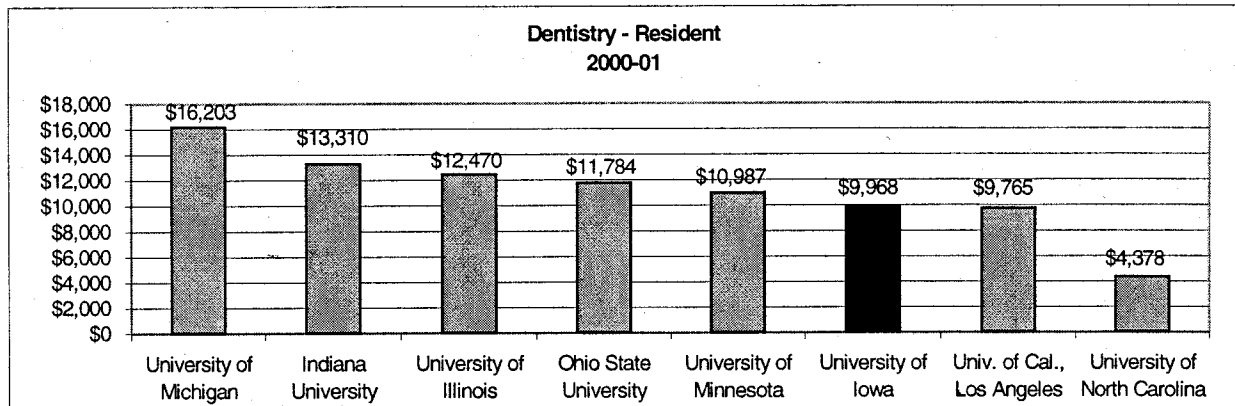
The Board Office recommended that the University return next year, with the understanding that students enrolled prior to the fall of 2000 not be charged the surcharge.

The surcharge will generate approximately \$144,000 in FY 2001-2002 and will support the necessary program enhancements (primarily faculty support) for educational programs including:

Amount	Expenditure Category	Descriptions
\$120,960	Faculty Salaries	One new faculty position (\$100,000) will be added to the department of Family Dentistry. The remaining funds (\$20,960) will be applied to faculty retention in clinical departments.
\$23,040	Student Financial Aid (16%)	Scholarships to students with exceptional financial need.
<b>\$144,000</b>		

Dentistry resident tuition and fees at the University of Iowa are the third lowest in its peer group and less than the average tuition (\$11,271) for 2000-2001 of its peer group. Dentistry nonresident tuition and fees at the University of Iowa are the fourth lowest and also lower than average in comparison to its peer universities.

SUI expects the College of Dentistry to remain competitive with peer and regional dental schools after the increase. The University reported that growing scholarships and low-interest loan programs ensure that no qualified Iowa applicant will be unable to attend because of costs.



## College of Law

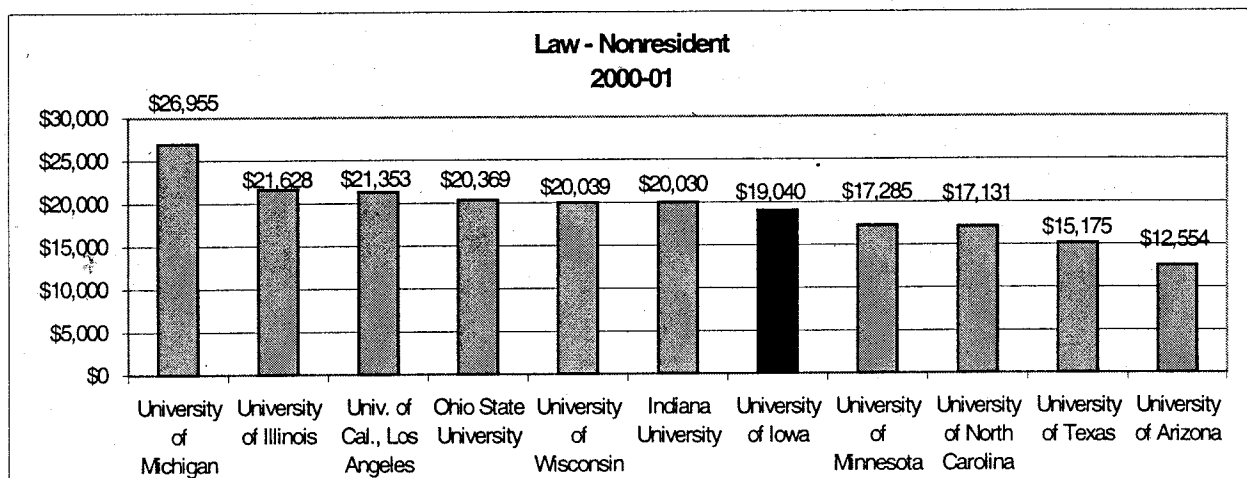
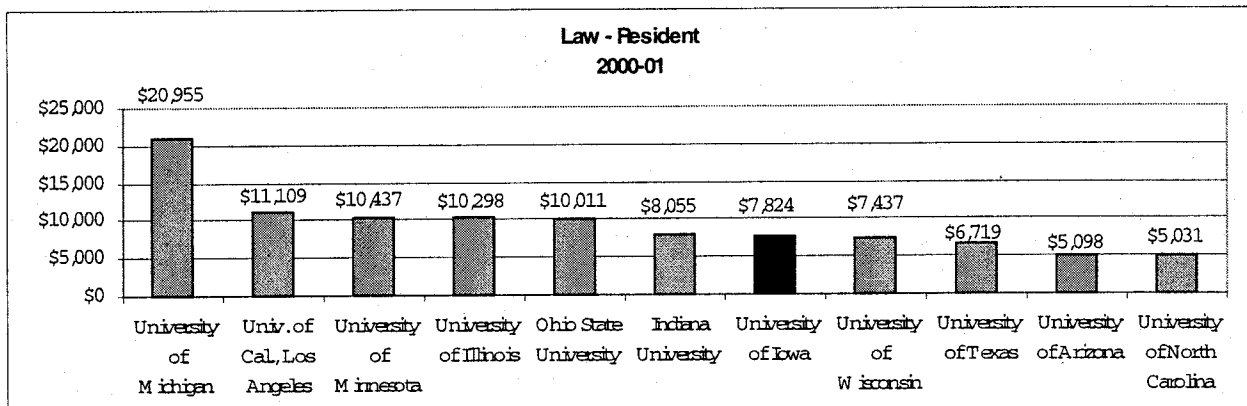
The University of Iowa proposed a tuition surcharge of \$200 for Iowa residents and \$300 for nonresidents enrolled in the University of Iowa's College of Law. This would be the ninth College of Law surcharge in ten years. The average surcharge of the previous eight years is \$381 for residents and \$561 for nonresidents. Base resident tuition for Law for the 2000-2001 academic year is \$7,416 and with mandatory fees totals \$7,824.



The surcharge will generate approximately \$132,559 in FY 2001-2002 and will be applied to collegiate initiatives, as identified in the institution's strategic plan. Funds will directly benefit law students by improving the scope and quality of the educational services and professional opportunities available by:

Amount	Expenditure Category	Descriptions
\$45,850	Associate Director of Career Services	This person will counsel students on career options and market the quality of Iowa-educated law graduates.
\$39,300	Associate Director of the Writing Resource Center	This person will assist the director in meeting student needs for greater assistance and support in the development of their writing skills.
\$26,200	Half-time manager for student employee appointment records and payroll	This person will handle administrative employment details for the 200+ student research assistants, program leaders, and auxiliary managers.
\$21,209	Student Financial Aid (16%)	
<b>\$132,559</b>		

Despite the tuition increases of the last several years, the 2000-2001 resident Law tuition and fees at the University of Iowa are less than the average tuition (\$9,515) of its comparable universities by just under \$1,700 while the nonresident Law tuition and fees are more than \$200 below the peer group average (\$19,252).



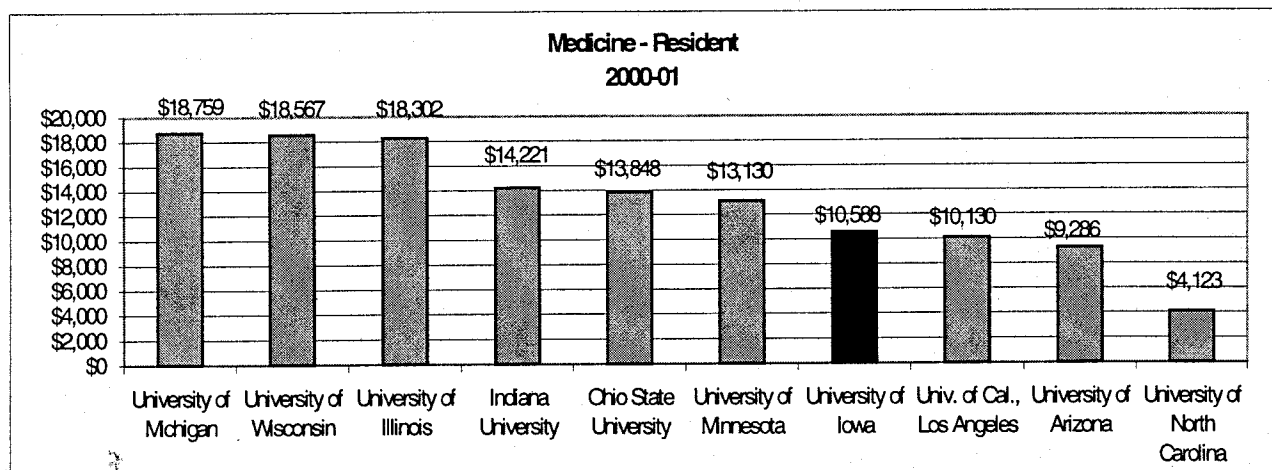
## College of Medicine

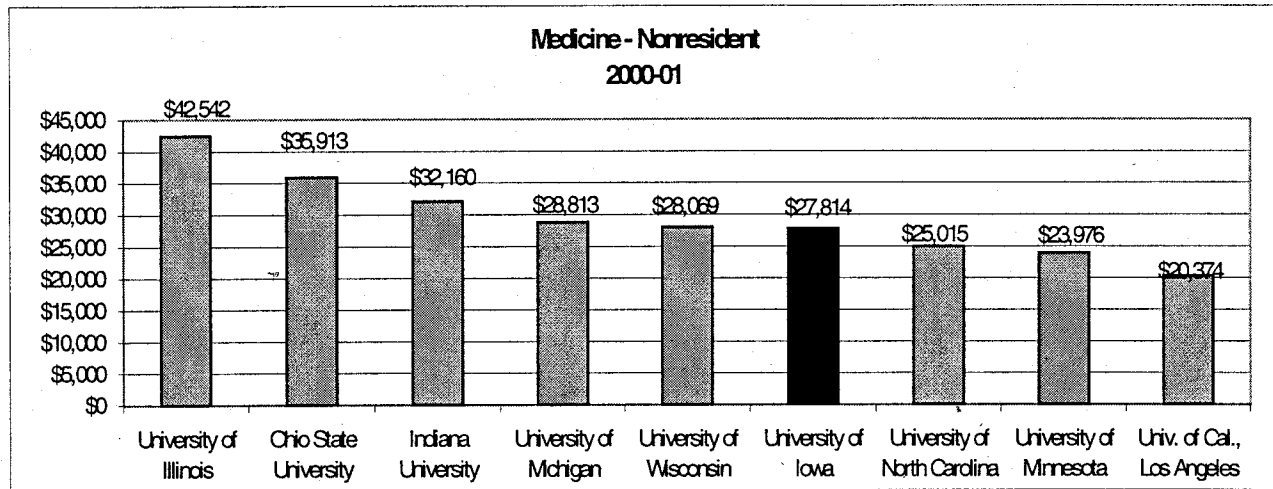
The University of Iowa proposed a tuition surcharge of \$3,500 for the College of Medicine for resident and nonresident students entering the medical education program in fall of 2001. The surcharge will not apply to students enrolled in the medical program prior to fall 2001. Implementation of the surcharge will be in addition to any mandated Regent increase. Base resident tuition for Medicine for the 2000-2001 academic year is \$10,264 and with mandatory fees totals \$10,588.

The tuition surcharge would fund key programmatic enhancements and offset future recurring costs associated with the implementation of the generalist curriculum and community-based learning experiences including:

Amount	Expenditure Category	Descriptions
\$150,000	Faculty Salaries and Fringe Benefits	Dedicated 20% support of four faculty for Learning Communities
\$100,000	Faculty Salaries and Fringe Benefits	Faculty member to develop, implement, & assess outcomes of a competency-based clinical skills assessment exam that students must pass prior to graduation.
\$91,000	P&S Salary and Fringe Benefits	Professional counseling for personal, career, academic and debt management.
\$100,000	General Expense	Community-based learning and intranet development
\$84,000	Student Financial Aid (16%)	
<b>\$525,000</b>		

The University of Iowa Medical program tuition is currently the fourth lowest in its peer group and is less than the average tuition (\$13,374) for 2000-2001 of its peer group. A surcharge of \$3,500, with the recommended base tuition increase, will put the College of Medicine tuition at the University over the average and about fourth highest in its peer group.





Arizona does not allow nonresidents in its medical program.

### College of Pharmacy

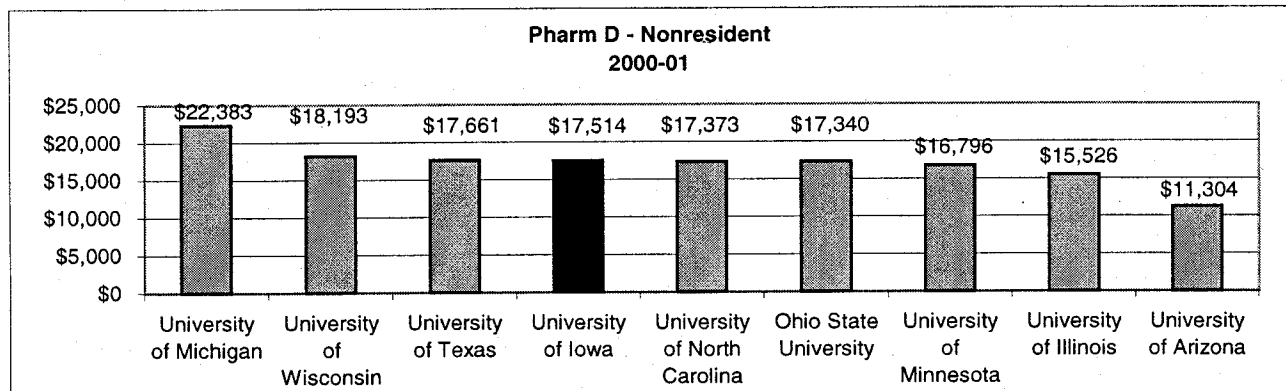
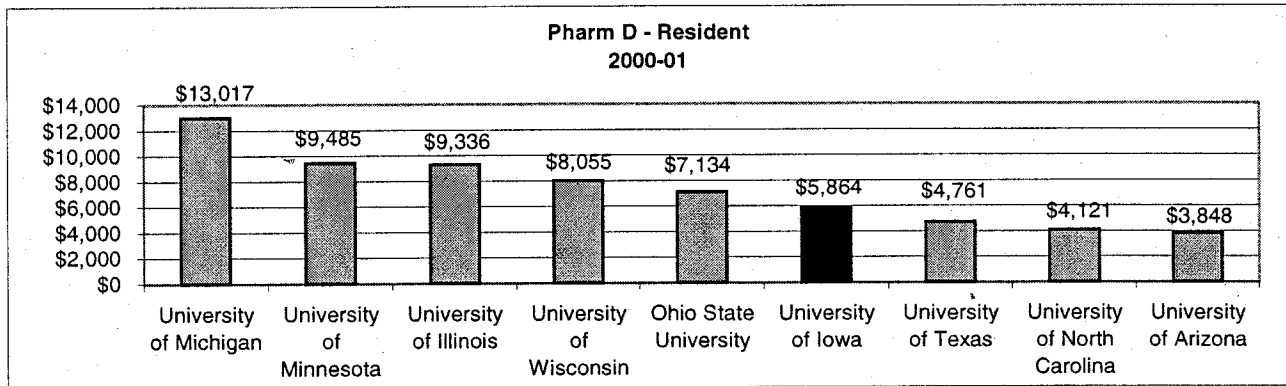
The University of Iowa proposed a tuition surcharge of \$3,000 for the College of Pharmacy's Pharm. D program for resident and nonresident students entering the fall of 2001. Base resident tuition for Pharmacy for the 2000-2001 academic year is \$5,566 and with mandatory fees totals \$5,864. Implementation is expected to take four years, with each subsequent entering class to be charged this amount. Each subsequent year's surcharge increase is to be brought to the Board for approval.

Students currently spend one year in pre-pharmacy and five years in the Pharm. D. program. The College anticipates conversion of its program to two years in pre-pharmacy and four years in the Pharm. D. program beginning in fall 2001. This surcharge would be applied to the four-year portion rather than the tuition for the five-year portion.

The tuition surcharge would generate approximately \$300,000 and be used to fund the program at a level consistent with the true cost of delivering the new Pharmacy program and will address the following programmatic needs including:

Amount	Expenditure Category	Description
\$50,000	Salaries.	Hiring of new and replacement faculty (one FTE.)
\$75,000	Salaries.	Enhancing external Pharmacy Practice Sites.
\$127,000	Equipment, supplies, and services.	Improving instructional equipment in classrooms and laboratories needed to deliver sophisticated coursework and concepts that are now routinely used in community and hospital pharmacies.
\$48,000	Student Financial Aid (16%)	
<b>\$300,000</b>		

Pharmacy resident tuition and fees at the University of Iowa are the fourth lowest in its peer group and less than the average tuition for 2000-2001 of its peer group (\$7,470). Pharmacy nonresident tuition and fees are comparable to those of its peer universities.



### Graduate College – Masters in Physical Therapy

The University of Iowa again proposed a tuition surcharge of \$2,694 per student for resident and nonresident students entering the University of Iowa's Masters of Physical Therapy program in the fall of 2001.

The Board deferred last year's proposed tuition surcharge of \$2,692 for the Masters of Physical Therapy program so the university could gather additional information and develop a comprehensive proposal. Base resident tuition for Physical Therapy for the 2000-2001 academic year is \$3,452 and with mandatory fees totals of \$3,750.

The Board Office recommended that the Board consider a \$1,350 surcharge (a 39.1% increase) rather than the \$2,692 surcharge (a 78% increase) for the Masters of Physical Therapy.

The proposed surcharge will generate approximately \$242,000 in FY 2001-2002, however, the amount at the recommended surcharge would be approximately half of this amount (\$121,000). The surcharge will primarily provide enhancements for faculty support of educational programs including:

Amount	Expenditure Category	Description
\$53,000	Faculty/Staff	Expansion of clinical MPT curriculum with additional staff, one half-time person to assist the Coordinator of Curriculum in site visits, one full-time person to expand the clinical education curriculum offerings, and one half-time secretarial support person to clinical education program.
27,500	Graduate Teaching Assistants	Four half-time teaching assistant positions are required to complement the current faculty and to address anticipated curricular expansion.
10,000	Teaching & Technical Support Equipment	Need to address current shortage of technical equipment required for teaching (student computer workstations, educational software, printers, etc.)
7,500	Clinical Education program	Travel to internship sites (\$5,000) by clinical coordinator and staff for consultation/evaluation and continuing education and professional development experiences (workshops, symposia; \$10,000) for clinical education staff.
3,500	Student Research	Encourage student participation in research and expand opportunities for participation at professional meetings.
19,500	Student Financial Aid (16%)	
<b>\$121,000</b>		

Of the reported peer institutions that have Physical Therapy programs, the University of Iowa has the lowest tuition and fees. According to the *2000 US News & World Report*, the University of Iowa program is ranked third among the Best Graduate Schools in the Country.

